

AMENDED IN ASSEMBLY MAY 11, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 363

Introduced by Assembly Member Miller
(Coauthor: Assembly Member Jeffries)

February 23, 2009

An act to add Sections 17053.87 and 23687 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 363, as amended, Miller. Income and corporation taxes: credits: fire safety compliance.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, for taxable years beginning on or after January 1, 2009, allow a credit *for equal to 50% of the costs incurred in towards bringing a qualified home, as defined, into compliance with specified fire safety requirements. The bill would require construction, repair, rehabilitation, or improvement subject to the credit to be verified by a local building inspector to be construction, repair, rehabilitation, or improvement made toward compliance with the regulations of the Department of Forestry and Fire Protection.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17053.87 is added to the Revenue and
2 Taxation Code, to read:

3 17053.87. (a) For each taxable year beginning on or after
4 January 1, 2009, there shall be allowed as a credit against the “net
5 tax,” as defined by Section 17039, an amount equal to 50 percent
6 of the qualified costs for the taxable year in which a qualified home
7 is brought into compliance with the fire hazard severity zone, local
8 agency very-high fire hazard severity zone, or wildland-urban
9 interface fire area building requirements.

10 (b) *The credit allowed under this section shall be in lieu of any*
11 *other credit or deduction against the “net tax” allowed by any*
12 *other provision of law for qualified costs.*

13 ~~(b)~~

14 (c) For purposes of this section:

15 (1) “Fire hazard severity zone” means a geographical area
16 designated a fire hazard severity zone by the Director of Forestry
17 and Fire Protection pursuant to Section 4203 of the Public
18 Resources Code.

19 (2) “Local agency-very high fire hazard severity zone” means
20 an area designated as a “very high fire hazard severity zone” by
21 the Director of Forestry and Fire Protection pursuant to Section
22 51178 of the Government Code that is not a state responsibility
23 area.

24 (3) “New building” means any building for which a building
25 permit is submitted on or after July 1, 2008.

26 ~~(1)~~

27 (4) “Qualified costs” means costs paid or incurred by a taxpayer
28 for the construction, repair, ~~maintenance~~, rehabilitation, or
29 improvement of a qualified home ~~in order to bring~~ made toward
30 bringing the qualified home into compliance with the fire safety
31 requirements imposed on new buildings in fire hazard severity
32 zones, local agency very-high fire hazard severity zones, or

1 wildland-urban interface fire areas. *Construction, repair,*
2 *rehabilitation, or improvement shall, upon completion, be verified*
3 *by a local building inspector to be construction, repair,*
4 *rehabilitation, or improvement made toward compliance with the*
5 *regulations of the Department of Forestry and Fire Protection.*
6 “Qualified costs” includes, but is not limited to, costs for materials
7 and labor.

8 ~~(2)~~

9 (5) “Qualified home” means a ~~dwelling unit~~ *single-family,*
10 *primary residence* located in a fire hazard severity zone, local
11 agency very-high fire hazard severity zone, or wildland-urban
12 interface fire area that is not a new building subject to the fire
13 safety requirements for buildings located in a fire hazard severity
14 zone, local agency very-high fire hazard severity zone, or
15 wildland-urban interface fire area.

16 (6) “Wildland-urban interface fire area” means a geographical
17 area designated a fire hazard severity zone by the Director of
18 Forestry and Fire Protection pursuant to Section 4203 of the Public
19 Resources Code.

20 ~~(e)~~

21 (d) In the case where the credit allowed by this section exceeds
22 the “net tax,” the excess may be carried over to reduce the “net
23 tax” in the following year, and *up to three* succeeding years if
24 necessary, until the credit is exhausted.

25 SEC. 2. Section 23687 is added to the Revenue and Taxation
26 Code, to read:

27 23687. (a) For each taxable year beginning on or after January
28 1, 2009, there shall be allowed as a credit against the “tax,” as
29 defined by Section 23036, to a taxpayer an amount equal to *50*
30 *percent of* the qualified costs for the taxable year in which a
31 qualified home is brought into compliance with the fire hazard
32 severity zone, local agency very-high fire hazard severity zone, or
33 wildland-urban interface fire area building requirements.

34 (b) *The credit allowed under this section shall be in lieu of any*
35 *other credit or deduction against the “tax” allowed by any other*
36 *provision of law for qualified costs.*

37 ~~(b)~~

38 (c) For purposes of this section:

39 (1) “Fire hazard severity zone” means a geographical area
40 designated a fire hazard severity zone by the Director of Forestry

1 *and Fire Protection pursuant to Section 4203 of the Public*
2 *Resources Code.*

3 (2) “Local agency-very high fire hazard severity zone” means
4 an area designated as a “very high fire hazard severity zone” by
5 the Director of Forestry and Fire Protection pursuant to Section
6 51178 of the Government Code that is not a state responsibility
7 area.

8 (3) “New building” means any building for which a building
9 permit is submitted on or after July 1, 2008.

10 ~~(1)~~

11 (4) “Qualified costs” means costs paid or incurred by a taxpayer
12 for the construction, repair, ~~maintenance~~, rehabilitation, or
13 improvement of a qualified home ~~in order to bring made toward~~
14 *bringing* the qualified home into compliance with the fire safety
15 requirements imposed on new buildings in fire hazard severity
16 zones, local agency very-high fire hazard severity zones, or
17 wildland-urban interface fire areas. *Construction, repair,*
18 *rehabilitation, or improvement shall, upon its completion, be*
19 *verified by a local building inspector to be construction, repair,*
20 *rehabilitation, or improvements made toward compliance with the*
21 *regulations of the Department of Forestry and Fire Protection.*
22 “Qualified costs” includes, but is not limited to, costs for materials
23 and labor.

24 ~~(2)~~

25 (5) “Qualified home” means a ~~dwelling unit~~ *single-family,*
26 *primary residence* located in a fire hazard severity zone, local
27 agency very-high fire hazard severity zone, or wildland-urban
28 interface fire area that is not a new building subject to the fire
29 safety requirements for buildings located in a fire hazard severity
30 zone, local agency very-high fire hazard severity zone, or
31 wildland-urban interface fire area.

32 (6) “Wildland-urban interface fire area” means a geographical
33 area designated a fire hazard severity zone by the Director of
34 Forestry and Fire Protection pursuant to Section 4203 of the Public
35 Resources Code.

36 ~~(e)~~

37 (d) In the case where the credit allowed by this section exceeds
38 the “tax,” the excess may be carried over to reduce the “tax” in
39 the following year, and *up to three* succeeding years if necessary,
40 until the credit is exhausted.

1 *SEC. 3. If the Commission on State Mandates determines that*
2 *this act contains costs mandated by the state, reimbursement to*
3 *local agencies and school districts for those costs shall be made*
4 *pursuant to Part 7 (commencing with Section 17500) of Division*
5 *4 of Title 2 of the Government Code.*

6 ~~SEC. 3.~~

7 *SEC. 4. This act provides for a tax levy within the meaning of*
8 *Article IV of the Constitution and shall go into immediate effect.*

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